

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

March 4, 2004

IN RE:

**PETITION OF WILLIAMS COMMUNICATIONS, LLC
FOR APPROVAL OF THE TRANSFER OF OWNERSHIP
OF WILLIAMS COMMUNICATIONS, LLC FROM
WILTEL COMMUNICATIONS GROUP, INC. TO
LEUCADIA NATIONAL CORPORATION**

**DOCKET NO.
03-00543**

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Chairman Deborah Taylor Tate, Director Pat Miller, and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on November 10, 2003 for consideration of the Application of Williams Communications, LLC ("WCL") for TRA approval of a transfer of authority to provide telecommunications services required under Tenn. Code Ann. § 65-4-113(a) & (b).

Tenn. Code Ann. § 65-4-113

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain TRA approval to transfer its authority to provide utility services (also known as a "certificate of public convenience and necessity" or "CCN"). Tenn. Code Ann. § 65-4-113(a) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Application

In the Application, which was filed with the TRA on October 2, 2003, WCL outlines a transaction in which Leucadia National Corporation ("Leucadia") will become the majority shareholder of WilTel Communications Group, Inc. ("WilTel"), the parent company of WCL. Upon completion of the transaction, WCL will still be owned by WilTel and will continue to be the holder of its CCN and the actual provider of telecommunications services, but Leucadia will become a parent company of both corporations. Since the transaction will result in an indirect transfer of WCL's CCN to provide telecommunications services granted by the TRA on April 6, 1999 in Docket No. 99-00034, WCL is seeking the TRA's approval.

According to the Application, Leucadia is a diversified financial services holding company with shareholders' equity of over \$1.5 billion as of December 31, 2002. Leucadia's investment in WilTel represents its first significant entrée into the telecommunications industry. Leucadia made this investment in 2002 as part of WilTel's Plan of Reorganization and presently owns 47.4% of the outstanding shares of the stock of WilTel and through this current transaction intends to increase its ownership interest in WilTel to more than 50% and, ultimately, to 100%.

WCL contends that this increase in ownership interest will further facilitate WilTel's recovery from bankruptcy and will allow WCL to continue to be a competitive provider of telecommunications services. Because there will be no change in the direct ownership of WCL or its CCN, WCL contends that the transaction will be seamless to its customers and will result in no changes in the terms, rates, or conditions of service.

The November 10, 2003 Authority Conference

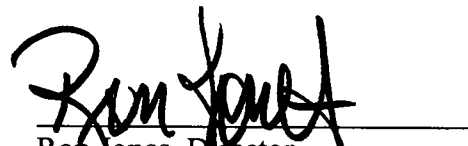
At the November 10, 2003 Authority Conference, the Directors voted unanimously to approve the Application.

IT IS THEREFORE ORDERED THAT:

The proposed indirect transfer of WCL's CCN as described in the Application and discussed herein is approved.


Deborah Taylor Tate, Chairman


Pat Miller, Director


Ron Jones, Director